

ASSEMBLY BILL

No. 692

Introduced by Assembly Member Torres

February 21, 2013

An act to amend Section 50783 of the Health and Safety Code, relating to mobilehomes.

LEGISLATIVE COUNSEL'S DIGEST

AB 692, as introduced, Torres. Mobilehomes: loans.

Existing law authorizes the Department of Housing and Community Development to make loans from the Mobilehome Park Purchase Fund to qualified mobilehome park residents, resident organizations, and nonprofit housing sponsors or local public entities to finance conversion of the parks to resident ownership and to make monthly housing costs affordable.

This bill would make a technical, nonsubstantive change to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 50783 of the Health and Safety Code is
- 2 amended to read:
- 3 50783. (a) The department may make loans from the fund to
- 4 resident organizations for ~~the purpose~~ *purposes* of financing
- 5 mobilehome park conversion costs.
- 6 (b) Loans provided pursuant to this section shall be for a term
- 7 of no more than three years and shall bear interest at a rate of 3

1 percent per annum, unless the department finds that a lower interest
2 rate is necessary and will not jeopardize the financial stability of
3 the fund.

4 (c) Loans provided pursuant to this section shall be for the
5 minimum amount necessary to enable a resident organization to
6 acquire and convert the mobilehome park. To the extent possible,
7 the loan amount shall not exceed 50 percent of the approved
8 conversion costs. However, the loan amount may be for up to 95
9 percent of the approved conversion costs attributable to the
10 low-income households in the park when approved by the
11 department.

12 (d) The department may grant approval to exceed 50 percent of
13 the approved conversion costs only if both of the following are
14 demonstrated:

15 (1) That the applicant has made an effort to secure additional
16 funds from other sources and these funds are not available.

17 (2) That the project would not be feasible, as determined by the
18 department, without a waiver of the 50-percent financing limitation.

19 (e) The total secured debt in a superior position to the
20 department's loan plus the department's loan shall not exceed the
21 value of the collateral securing the loan.